cyclone victims, the question of giving further concessions in customs and excise duties does not arise.

Newsitem Regarding Tax Evasion by Railway Cable Supplier

2457. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the newsitem captioned "Tax evasion by Railway cable supplier" as reported in the Hindustan Times dated the 28th January, 1997;

(b) if so, the facts and details thereof;

(c) whether Government propose to blacklist those companies from awarding Government contracts involved in evasion of taxes; and

(d) if so, the facts and policy of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) Yes, Sir. A case has been booked by the Commissionerate, Central Excise, Delhi against M/S Gautam Cables Industries, for allegedly supplying cables to the Railways on the strength of fake invoice, thereby collecting the excise duty from the Railways, but misappropriating the same. In doing so, they have suppressed the figures of production and clearances from the Central Excise Department. One person has been arrested in this case.

(c) and (d) Information is being collected and will be laid on the Table of the House.

Meeting of Bank Officers Union with MOF regarding appointment of officer nominee directors

2458. SHRI N. GIRI PRASAD: SHRI GURUDAS DASGUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether a meeting of Bank Officers Unions was held with the Ministry of Finance, Banking Department, in November, 1996, regarding the appointment of officers nominee director on the Board of nationalised banks;

(b) if so, the details thereof;

(c) whether in 5-6 Banks the posts of officer employee director are vacant and in 10-11 Banks the tenures of officer nominee director have expired, if so, the details thereof;

(d) whether in the above meeting the Ministry of Finance assured the representatives of officers' unions to expedite the process for appointing the directors; and

(e) if so, the action taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (e) Nomination of officer employee directors on the boards of nationalised banks are made in accordance with the criteria and procedure prescribed in the relevant statutes and Government's guidelines in this regard. The guidelines were revised in July, 1995. Representations were received from some national level bank officers' organisations regarding the revision of the guidelines. A meeting was held in the Ministry of Finance (Banking Division) in November, 1996 with the representatives of some national level bank officers' associations to discuss the matter. In the light of the representations and the discussions, re-examination of the guidelines became necessary.

The post of officer employee director is presently vacant in five nationalised banks. In six other nationalised banks the tenured of officer employee director has expired but they are continuing to hold directorship in terms of the provisions of the statute pending appointment of their successors. The process of appointment of officer employee directors shall be initiated as soon as the guidelines are finalised.

Decision Regarding Re-Issuance of Licences to Opium Cultivators

2459. SHRI JOY NADUKKARA: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry took a decision as noticed in gazette dated 4th October, 1996 regarding allowing re-issuance of licences to opium cultivators who failed to reach the minimum qualifying yield during the crop;

(b) whether Government's attention has been drawn to a news-item in the Times of India dated 27th November, 1996 that the above decision was to help the opium cultivators illegally diverting their produce to the drug market to continue in the business without any penalty; and

(c) if so, the reaction of Government thereto and whether Government will reconsider the decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir. The Government of India announced the Opium Licensing Policy for the Crop Year 1996-97 vide Gazette Notification dated 4.10.96 raising the Minimum Qualifying Yield (MQY) for licence from 46 kgs. per hectare to 48 kgs. per hectare for the States of Madhya Pradesh and Rajasthan and fixing the same at 40 kgs. per hectare for Uttar Pradesh in view of the latter having a relatively lower yield. The relaxation in the Minimum Qualifying Yield was only in respect of a small percentage of cultivators who could not achieve the above target but undertook to fulfil it during the current crop year.

(b) and (c) A statement explaining the position is laid on the table of the House.

Statement

Position about the news item regarding 139 Opium cultivation

The newspaper report which appeared in the Times of India dated November 27, 1996 had published incorrect and misleading facts based on wrong presumptions about the Government's Opium Licensing policy for the crop year 1996-97 (1.10.1996 to 30.9.1997).

The opium policy for the year 1996-97 was based, as in previous years on an assessment of the annual requirement of opium and the area required to be licensed to produce the same. As India is the sole producer and supplier of licit opium gum in the World, it is under international obligation to meet the global requirement of opium for medicinal and scientific purposes. The International Narcotics Control Board, which is the concerned United Nations body has been writing to the Govt. of India emphasizing its responsibilities in this regard and the need to build up stocks of opium to provide for future eventualities like crop failure/damage etc.

With the raising of the Minimum Qualifying Yield every year a large number of traditional cultivators had got delicensed over the years on account of their failure to tender the prescribed MQY. To provide for the shortfall in the area and the number of cultivators delicensed every year, the experiment of inducting new cultivators or increasing the size of individual cultivator's licensed area was tried in the previous years but the same had by and large failed. It was noticed that while productivity fell with the increase in the area the induction of new cultivators every year introduced ad hocism in the policy which encouraged corruption and leakage of opium into illicit channel. No